GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:919
ANSWERED ON:27.02.2001
FERTILISER INDUSTRY
PRABHAT KUMAR SAMANTARAY

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether the fertiliser industry in the country has become uncompetitive;

(b) if so, the reasons therefor; and

(c) the details of the steps taken to make the fertiliser industry competitive and also improve performance?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a)&(b): While the Indian fertilizer industry has achieved internationally competitive energy efficiency norms, it is not price competitive, primarily because of high cost of hydrocarbon feedstock and raw material/inputs.

(c): The Government periodically review the performance of fertilizer production sector with a view to ensure adequate supply of fertilizers throughout the country. However, in case of public and cooperative sectors, the Government further monitor their overall operational and financial performance in terms of various parameters such as energy consumption norms, revenue/capital expenditure, project implementation, marketing cost and financial performance etc. Besides, the Government is in the process of formulating a New Pricing Policy which aims at encouraging urea units for taking cost reduction steps and be more competitive.